

NEWS RELEASE



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Vibrant Mix at Linden Square Redevelopment Blends Old and New, Local and National Tenants

Federal Realty Leases Space to First New Tenants at Lifestyle Center in Wellesley, Mass.

ROCKVILLE, Md. (May 7, 2007) – Featuring a diversified mix of retailers and restaurants, Federal Realty Investment Trust (NYSE:FRT) announced today that it has leased the first new tenants for the redevelopment of Linden Square in Wellesley, Mass.

Among the lineup are several new retailers and restaurants with local roots, including the Cottage Wellesley, a highly anticipated, upscale, family-owned restaurant run by Laura Wolfe, a Wellesley native, and John Wolfe. The Cottage Restaurant will be located at the front of the 18.4-acre redevelopment site. The Cottage Wellesley, currently operating in one location in California, will be opening its second restaurant at Linden Square. The owners are excited to finally combine their passion for this restaurant with the community in their hometown. “My husband and I are excited to bring a bit of our California life home to Wellesley. I will be the third generation to have a business in Wellesley. My grandfather owned and operated Leo’s Barbershop in Newton Lower Falls, my parents started PIP Printing at Linden Square, and now I am pursuing my dream of bringing The Cottage to Wellesley. There’s no place like home”, says Laura Wolfe, owner of the Cottage Wellesley.

Federal Realty is dedicated to introducing an exciting, vibrant lifestyle center for the Wellesley community that will ultimately blend traditional retail with food, service, office, and affordable-housing space. The real estate investment trust has also tried to honor the long history established by many of the existing tenants on Linden Street and, where possible, worked with them to address their needs and concerns. This Fall, Roche Brothers, a locally-based grocery store, will move across the street from its current location to join CVS/pharmacy as the anchor tenants of the site.

Existing tenants that Federal Realty is pleased to preserve at Linden Square include Fitness For Women, Smatterings, L&M Lock and Linden Store, among several others. When redevelopment is completed in 2010, Linden Square will include more than 200,000 square feet of retail space, approximately 21,000 square feet of office space and four residential units.

In addition to the Cottage Restaurant, Federal Realty is excited to announce the following new tenants to Linden Square opening in the next eight months:

- *Head Games*, an innovative retailer that specializes in women's hats and accessories; currently operating one store in Boston's Faneuil Hall.
- *Blue Tulip*, a national specialty gift store, selling cards, gifts and custom invitations.
- *National Jeans*, a boutique store selling premium men's and women's denim, including premium brand name jeans.
- *Beacon Hill Athletic Club*, a regional men's and women's fitness club.
- *Magic Beans*, an independently owned toy store that specializes in baby gear including toys, strollers, car seats, carriers and accessories; currently operating a store in Brookline, Mass.
- *French Lessons*, a unique boutique featuring intimate apparel, lingerie and ready-to-wear apparel; currently operating four stores throughout New England.
- *Bella Sante Day Spa*, an upscale, full-service spa; currently operating spa locations on Newbury Street in Boston and in Lexington, Mass.
- *Cold Stone Creamery*, an independently owned franchised ice cream store which specializes in handcrafted fresh ice cream.
- *Starbucks*, the leading retailer, roaster and brand of specialty coffee in the world.
- *Qdoba*, a non-traditional, fast-casual, Mexican Grill; currently operating by local franchise owners at more than 300 locations nationwide.

Federal Realty is also pleased to announce, opening by the end of 2008:

- *California Pizza Kitchen*, a restaurant dedicated to family-friendly California-style cuisine; currently operating more than 180 locations in 27 states and five foreign countries.

"We are focused on bringing the right balance of dining, shopping and service retail to Linden Square while representing a diversified group of local, regional and national merchants," said Jeremy Grossman, director of leasing for Federal Realty Investment Trust. "These tenants are excited to be part of this project, and will augment the existing downtown Wellesley area."

Federal Realty acquired the Linden Square property in August 2006, and at the same time also acquired Chelsea Commons in Chelsea, Mass., and the North Dartmouth Shopping Center in North Dartmouth, Mass. During the past two years, Federal Realty's presence in the Boston market has grown from under 600,000

square feet to more than 2 million square feet in 10 properties throughout the Commonwealth, including those properties in our joint venture with Clarion Lion Properties Fund.

About Federal Realty

Federal Realty Investment Trust is an equity real estate investment trust specializing in the ownership, management, development, and redevelopment of high quality retail assets. Federal Realty's portfolio (excluding joint venture properties) contains approximately 19.6 million square feet located primarily in strategic metropolitan markets in the Northeast, Mid-Atlantic, and California. In addition, the Trust has an ownership interest in approximately 0.9 million square feet of retail space through its joint venture with Clarion Lion Properties Fund in which the Trust has a 30% interest. Our operating portfolio (excluding joint venture properties) was 96.6% leased to national, regional, and local retailers as of March 31, 2007, with no single tenant accounting for more than approximately 2.9% of annualized base rent. Federal Realty has paid quarterly dividends to its shareholders continuously since its founding in 1962, and has increased its dividend rate for 39 consecutive years, the longest record in the REIT industry. Shares of Federal Realty are traded on the NYSE under the symbol FRT.